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BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES

Chairman

GARY PIERCE

Commissioner

PAUL NEWMAN

Commissioner

SANDRA D. KENNEDY

Commissioner

BOB STUMP

Commissioner

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION
OF TRICO ELECTRIC COOPERATIVE,
INC., AN ARIZONA NONPROFIT
CORPORATION, FOR A PERMANENT
RATE INCREASE, FOR A
DETERMINATION OF THE FAIR VALUE
OF THE CORPORATION'S ELECTRIC
SYSTEM FOR RATEMAKING PURPOSES,
FOR A FINDING OF A JUST AND
REASONABLE RATE OF RETURN
THEREON, AND FOR APPROVAL OF
RATE SCHEDULES DESIGNED TO
DEVELOP SUCH RETURN

DOCKET NO. E-01461A-08-0430

DECISION NO. 71253ORDER

Open Meeting
August 25 and 26, 2009
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Trico Electric Cooperative, Inc. ("Trico") is certificated to provide electric service as a public service corporation in the State of Arizona.

2. On August 15, 2008, Trico filed an application with the Arizona Corporation Commission ("Commission") an application which sought to increase Trico's overall rates, modify its Residential Time of Use ("TOU") rates, and to implement other changes.

3. Trico's Residential Time of Use rates do not presently include on-peak hours during weekends or holidays. On-peak hours in summer are from 1:00 p.m. to 9 p.m. Monday through

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1 Friday.¹ Winter on-peak hours are from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m.
2 Monday through Friday.² The monthly Customer Charge is \$16.00. The Energy Charge during
3 on-peak hours is \$0.12144. The Energy Charge during off-peak hours is \$0.04144.

4 4. On August 6, 2009, the Commission issued Decision No. 71230 in regard to the
5 application.

6 5. Decision No. 71230 adopted Trico's proposed customer charges and rate design.³

7 6. The Decision directed Trico to file for Commission approval a Residential TOU
8 Tariff that results in a neutral return on the Cooperative from the TOU class and which does not
9 include on-peak times during weekends.⁴ At the Open Meeting, the Commission discussed the
10 possibility of approving a TOU tariff with an on-peak and off-peak hours schedule that could
11 include on-peak hours on Saturday, or Saturday, Sunday and holidays rather than a tariff with a
12 TOU hourly schedule that did not include weekend on-peak hours. The Commission asked that
13 Trico submit additional TOU tariffs that reflect these different TOU schedule possibilities for its
14 consideration as an alternative to approving a tariff with a TOU hourly schedule that did not
15 include weekend on-peak hours.

16 7. On August 5, 2009, Trico filed a Notice of Filing Alternative Residential Time of
17 Use Service Schedule R2-TOU Tariffs as Requested by the Arizona Corporation Commission.

18 8. Trico's filing included three alternative tariffs. These tariffs are labeled in the filing
19 as Alternative No. 1, Alternative No. 2, and Alternative No. 3.

20 9. Trico's proposed Alternative No. 1 is a TOU tariff that limits on-peak hours to
21 Monday through Friday, with no on-peak hours during weekends or holidays, as recommended by
22 the Administrative Law Judge in her Recommended Order and Opinion.

23 10. Trico's proposed Alternative No. 2 is a TOU tariff that includes on-peak hours
24 every day of the year including weekends and holidays.

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27 ¹ Summer period is April 1 through October 31.

28 ² Winter period is November 1 through March 31.

³ ACC Decision No. 71230. August 6, 2009. Page 8, lines 19-20.

⁴ Ibid. Page 11, lines 13-14.

11. Trico's proposed Alternative No. 3 is a TOU tariff that includes on-peak hours from Monday through Saturday, but does not include on-peak hours on Sundays or holidays.

12. Each of Trico's proposed Alternatives include the same Customer charge and Energy Charge. The Customer Charge is \$19.00 per Customer per month. The On-peak Energy Charge is \$0.1932 per kWh. The Off-peak Energy Charge is \$0.0732 per kWh.

13. Staff has continued to recommend that the TOU tariff not include on-peak weekends, as on-peak weekend hours may be unduly burdensome to ratepayers, and consequently Staff supports Trico's proposed Alternative No. 1.

Table I
Alternative No. 1

<u>Summer Monday - Friday</u>		<u>Winter Monday - Friday</u>	
On-peak	1:00 p.m. to 9:00 p.m.	On-peak	6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m.
Off-peak	all others	Off-peak	all others

14. Should the Commission choose to approve either Trico's Alternative No. 2 or Alternative No. 3, Staff has recommended that the on-peak hours included in these alternatives be adjusted as shown in Table II-B and Table III-B respectively.

15. Trico's Alternative No. 2 includes the following on-peak and off-peak hours schedule:

Table II-A
Alternative No. 2

<u>Summer Monday - Sunday</u>		<u>Winter Monday - Sunday</u>	
On-peak	1:00 p.m. to 7:00 p.m.	On-peak	6:30 a.m. to 8:30 a.m. and 6:00 p.m. to 9:00 p.m.
Off-peak	all others	Off-peak	all others

16. Staff has recommended the following on-peak and off-peak hours schedule apply to Alternative No. 2, should it be approved by the Commission, in order to provide more off-peak hours to ratepayers during weekends and holidays. This will help to reduce the burden of having on-peak hours during weekends and holidays.

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Table II-B
Modified Alternative No. 2

<u>Summer Monday - Friday</u>		<u>Winter Monday - Friday</u>	
On-peak	1:00 p.m. to 8:00 p.m.	On-peak	6:30 a.m. to 8:30 a.m. and 6:00 p.m. to 9:30 p.m.
Off-peak	all others	Off-peak	all others
<u>Summer Sat., Sun. and Holidays</u>		<u>Winter Sat., Sun. and Holidays</u>	
On-peak	2:00 p.m. to 6:00 p.m.	On-peak	6:30 a.m. to 8:00 a.m. and 7:00 p.m. to 9:00 p.m.
Off-peak	all others	Off-peak	all others

17. Staff calculates that the on-peak and off-peak hours contained in Table II-B will produce approximately the same total on-peak hours as contained in Table II-A.

18. Trico's Alternative No. 3 includes the following on-peak and off-peak hours schedule:

Table III
Alternative No. 3

<u>Summer Monday - Saturday</u>		<u>Winter Monday - Saturday</u>	
On-peak	1:00 p.m. to 8:00 p.m.	On-peak	6:00 a.m. to 9:00 a.m. and 6:00 p.m. to 9:00 p.m.
Off-peak	all others	Off-peak	all others

19. Staff has recommended the following on-peak and off-peak hours schedule apply to Alternative No. 3, should it be approved by the Commission, in order to provide more off-peak hours to ratepayers on Saturdays. This will help to reduce the burden of having on-peak hours on Saturdays.

Table III-B
Modified Alternative No. 3

<u>Summer Monday - Friday</u>		<u>Winter Monday - Friday</u>	
On-peak	1:00 p.m. to 8:30 p.m.	On-peak	6:00 a.m. to 9:00 a.m. and 6:00 p.m. to 9:30 p.m.
Off-peak	all others	Off-peak	all others
<u>Summer Saturdays</u>		<u>Winter Saturdays</u>	
On-peak	2:00 p.m. to 7:00 p.m.	On-peak	6:30 a.m. to 8:30 a.m. and 6:30 p.m. to 8:30 p.m.
Off-peak	all others	Off-peak	all others

20. Staff calculates that the on-peak and off-peak hours contained in Table III-A will produce approximately the same total on-peak hours as contained in Table III-B.

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22. Staff has recommend that Trico Electric Cooperative, Inc. apply the terms of the revised Residential Time of Use Service Schedule R2TOU beginning with the first full billing cycle that follows the cycle in which customer notice has been provided in order to inform customers of the changed on-peak hours, off-peak hours, and rates in advance of application of the new terms.

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1 IT IS FURTHER ORDERED Trico Electric Cooperative, Inc. file with Docket Control, as
2 a compliance item in this matter, tariff pages consistent with the terms of this Decision within 15
3 days from the effective date of this Decision.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

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6 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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8 CHAIRMAN

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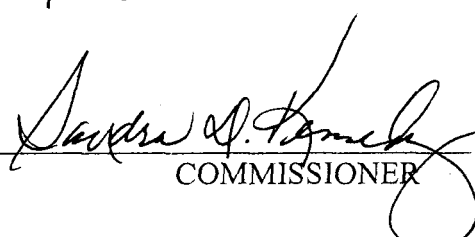
10 COMMISSIONER

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12 COMMISSIONER

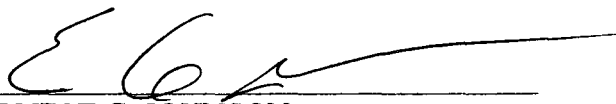
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14 COMMISSIONER

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16 COMMISSIONER

17 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
18 Executive Director of the Arizona Corporation Commission,
19 have hereunto, set my hand and caused the official seal of
20 this Commission to be affixed at the Capitol, in the City of
21 Phoenix, this 2nd day of Sept, 2009.

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23 ERNEST G. JOHNSON
24 EXECUTIVE DIRECTOR

25 DISSENT: _____

26 DISSENT: _____

27 SMO:SPI:lhmkOT

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